

The complaint

Mr S complains Santander UK PLC failed to set up a new Individual Savings Account (ISA) and transfer funds from a third party bank into it after he visited a branch.

What happened

I sent the parties a provisional decision in May 2024, in which I set out the following background and my provisional findings. As follows:

Mr S explained he started an application for an ISA online with Santander in late March 2023. He explained he followed the advice he received in an email from Santander to visit a branch to complete setting it up. Mr S explained he completed the form attached to this email and took it into a branch.

Mr S explained he thought he would need to write a cheque to fund his new ISA from a third party bank, so took his cheque book with him into the branch. He said the adviser he spoke with “repeatedly” told him he did not need to write a cheque as Santander had the details of the third party bank on the forms he had filled out.

Mr S said several weeks later he realised the money had not transferred out of his third party account so went back to the branch of Santander. He said he had a conversation in the branch and spoke with Santander’s head office.

Mr S explains the ISA wasn’t set up by Santander until late April 2023, so he missed the tax year for this ISA.

Mr S subsequently complained to Santander. Santander said Mr S opened his ISA online, it explained it had tried to speak with the branch about his complaint but had been unable to.

Santander explained that during his online application it identified Mr S may have an existing profile, and therefore needed to check his identity and sent him a change of details form in the email. Santander quoted from the email it sent Mr S which said; “before we can open your account we need to check your identity and to confirm if you already have a product with us. This is because some of the personal details you entered in your application does not match those we hold for you as an existing customer.”

Santander said Mr S completed this form and provided it with his identification at the branch when he visited. The branch sent this information to its account opening team and his ISA was opened on 26 April.

Santander has provided a copy of the form Mr S completed. A section of this form asks for ‘ISA Transferred Details’ which includes space for details of the bank the funds are to be transferred from, including space for the sort code and account number of any third party account. However, these details are not completed on the forms Mr S submitted. The only reference to how Mr S will fund the ISA is on the account options, where he has said ‘I will transfer money from an account in my name’.

As the ISA account was processed and opened on 26 April, it was not possible for Mr S to deposit funds for the previous tax year.

Santander wrote again to Mr S in early June stating there were no bank details on the ISA form Mr S completed. Santander said it did not have the facility to request money from a third party bank and any transfer into his ISA would need to be arranged by Mr S.

This response also mentioned Mr S's first visit to the branch. Santander said it could not see any reason Mr S would have been told he would not be able to fund the ISA by cheque, adding, "if you were under the impression, we were going to collect the money from your external account, there would have been no reason for this conversation to take place."

In response to this Mr S has said, he intended to pay by cheque when he visited the branch, it was the branch who told him he did not need to.

Santander wrote again to Mr S in mid-June. The response reiterated it did not have the facility to request funds from a third party bank and explained, after the ISA was opened, Mr S would have received details of how to make deposits into the ISA. Santander again said it could not see any reason why Mr S would have been told in branch Santander would collect funds for his ISA.

Our investigator didn't think Santander needed to take any action to put things right. He thought the form Mr S handed in to Santander was an online form. Our investigator thought the application for the ISA was made online and didn't have evidence to support Mr S's version of events, our investigator also thought there was no evidence Santander had refused to accept a cheque from Mr S. He thought Santander had acted fairly and reasonably.

Mr S said he would like Santander to pay him the interest he had lost for the tax year, which he calculated to be £800, he would have received for this year on the ISA.

Mr S rejected our investigator's view, his complaint has therefore been passed to me to make a final decision.

My provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

Much of the detail of this complaint is not in dispute. All parties agree Mr S started an ISA application online, he received an email which required him to complete an attached form and provide identification to Santander. Mr S said he therefore visited a branch to do this in early April.

The complaint appears to hinge on what was said and agreed during the conversation that took place in branch on 1 April between Mr S and the adviser in branch.

Firstly, I am satisfied the email from Santander Mr S provided in response to our investigators view, was sent to him during his online application in late March. I think this was because Santander systems recognised Mr S and needed to check his identity before it could open the ISA for him. I am minded Mr S told us he had recently changed address, so it

may have been this that triggered the email requiring further identification.

Mr S is clear and consistent in his evidence, which is he visited a branch of Santander with his completed form after receiving an email advising him to do so, where he was told the ISA would be opened for him and money transferred in. I have no reason to doubt Mr S took his cheque book with the intention of making the deposit into his new ISA.

It appears that despite writing to Mr S three times in response to his complaint, Santander haven't spoken with the branch or the adviser to establish what they told Mr S. These endeavours appear to have ended with its first response dated 11 May stating; 'I have tried to contact our [named] branch as agreed, however, I have been unable to reach them.'

This leads me to think there have been assumptions by Santander about what was likely to have been said during this conversation and little investigation as to what could have led to Mr S believing Santander had everything it needed to open his account and transfer in funds.

Speaking to the branch would seem to me to be an important part of this investigation, particularly as Mr S says he spoke with the branch twice, which could support, or refute, his version of events. I also note our investigator specifically asked Santander to contact the branch during their investigation. However, Santander have maintained it did not make a mistake with Mr S's ISA application without seeking first-hand evidence before making this finding.

I have to consider this against the evidence I do have from Santander. The form Mr S completed clearly does not have any account details on it for Santander to make a transfer into his new ISA, and Mr S would have known this as he completed it.

I have no reason to doubt, Mr S visited the branch with his cheque book, with the intention of funding the ISA by cheque during that first visit. The fact there was no information regarding the third party bank on the application, and that there is a note on the forms explaining Mr S would fund the ISA by cheque, supports Mr S's stated intentions.

Taking all this into consideration, I have to balance the evidence I do have. I think there is enough evidence supporting what Mr S has said to prefer his account. Santander have not provided evidence from the branch, I therefore think, it is more likely than not Santander told Mr S it had everything it needed to open his ISA and transfer funds in.

I also think it is unfortunate steps were not taken to speak with the branch. Those involved may have understandably forgotten now due to the passage of time, but at the time the case was raised, this may not have been the case.

It is not clear what Mr S did with the funds he intended to place in this ISA. Mr S had the option of investing the funds in this ISA from 26 April, if he wished to. This would equate to approximately a few weeks' worth of lost interest from between when he thought the ISA would be set up and when it actually was. I am aware Mr S was due to fund the ISA by cheque so this was not an ISA transfer, which again limits the loss.

Mr S has asked for £800 as he calculates this as the total lost interest for a year. I think Mr S had options to limit the financial loss he is claiming once he became aware of the failed transfer towards the end of April and could have the invested these funds in the ISA or elsewhere, so I don't think this claim for a total of £800 for one year lost interest is reasonable or fair.

Taking the above into account, on the balance of probability, I provisionally uphold Mr S's

complaint. For the reasons above, I don't think I can make an award for a full year of lost interest. I think the most I can award is a few weeks of lost interest in April. I provisionally think £200 is reasonable and fair for the inconvenience and loss Mr S has suffered. I am satisfied this is in line with similar awards our service has made.

My provisional decision and the parties' response

I provisionally decided to uphold Mr S's complaint and thought Santander should pay Mr S £200 compensation for the financial loss, distress and inconvenience it caused him.

Santander responded providing further comments. These comments showed it had carried out some further checks, but reiterated Santander's position that it had no record of Mr S visiting the branch in early April. Santander also said Mr S opened his ISA online on 26 April.

Mr S also provided comments. He said he did fill out a form giving a change of address with his ISA application. Mr S also explained he opened another ISA with another bank when he discovered Santander had not set up his ISA. He explained he was £20,000 down on his potential ISA total and therefore thought he had missed out on interest for that tax year.

I have carefully considered the comments provided by both parties and reconsidered my provisional decision carefully.

I do not think Santander have provided any significant fresh evidence in response to my provisional decision. I have noted its comments, but for the reasons given in my provisional decision, and persuaded, on balance, Mr S did visit the branch.

I am still persuaded Mr S followed the instructions on the email he received and visited the branch. I am also mindful this visit wasn't denied by Santander in early correspondence with Mr S, with one example being the response dated 11 May stating *'I note that you returned the form and identification to our branch and this was forwarded to our account opening team'* suggesting Santander had thought Mr S visited the branch.

As I explained, it appears a significant amount of time has passed since Mr S visited the branch and the recent comments provided by Santander have not changed my mind on this point.

I have also considered the comments made by Mr S regarding the details he has now provided regarding the loss he is claiming. Whilst I appreciate he is claiming a missed year for his ISA total allowance, I also consider the timeframe in which he was making the application, which meant Santander had only a few working days to process, open and fund his new ISA. This was not an ISA transfer so was not under the time constraints associated with transfers. As such Mr S could have made this application at any time during the previous tax year.

In addition to the points I made in my provisional decision, I think any issues with the application, such as an identification issue, could have reasonably caused a delay of a few days and would have meant Mr S missed the deadline for that tax year.

For these reasons, along with the reasons I provided in my provisional decision above, I remain of the view I cannot award the full £800 claimed, and think the £200 for financial loss, inconvenience and distress remains fair and reasonable in these circumstances.

My final decision

For the reasons I have explained above, I uphold Mr S's complaint. My final decision is I require Santander UK PLC to pay Mr S a total of £200 for the financial loss, distress and inconvenience it has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 July 2024.

Gareth Jones
Ombudsman